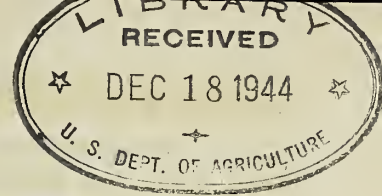


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration



No. 35 'AMA' "WAR BOARD" LETTER Wash., D.C., Sept. 26, 1942

FOOD SHORTAGE SITUATION: There is and will be serious shortages in many fluid milk markets this fall and winter because rate of production is rapidly declining to a level equal to or below last year while consumption is continuing to increase. Milk production the first eight months of this year was above the corresponding 1941 period in 16 of the 20 markets operating under Federal orders. During the latter part of this year, however, the excess over last year has tended to drop in almost all markets. Production now is below last year in seven markets and approaches that condition in others. Federal Milk Market Administrators in almost all areas are worried that local milk supplies during the coming months of short production will not be adequate to meet market needs for inspected milk, and, in some cases, for fluid milk. With the exception of five markets, emergency supplies are now being imported or are expected to be. Fluid milk sales are continuing to increase in these markets despite the drop in production. Increased sales of milk so far this year have ranged from 2 to 28 percent and in June, July and August the gain was from 3 to 48 percent. Factors largely responsible for the drop in production are shortages of farm labor, higher wages, more profit in other farm operations, inevitable declines in the unusually favorable pasture and weather conditions during the spring and summer, high prices for cull cows for beef and new emphasis on health regulations in some areas.

Although total milk production is slightly above last year and even taking the premise that it can be held at present levels, expanding military and Lend-Lease needs indicate that during the next 12 months there will be a deficit of milk and dairy products. This means either reduced civilian consumption or failure to meet war needs. The latter is improbable. At present, the war requirements for dairy products are, roughly, 60 percent of American cheese production, 45 percent of dry skim milk, 40 percent of evaporated, about 15 percent of butter and 70 percent of dry whole milk. In terms of fluid milk this amounts to between 15 and 17 billion pounds.

Among the various dairy products, it appears that evaporated milk and roller process dry skim milk are the only products for which expected production will be sufficient to meet all needs.

Estimated milk production is 119 billion pounds and current consumption is running about 110 billion pounds and still increasing. Even by reducing AMA stocks of dairy products to 3 month's requirements, a deficit of a few billion pounds of milk during the coming 12 months is still indicated. HOWEVER, CONTRARY TO CURRENT STORIES IN THE PRESS, MILK RATIONING IS NOT IN THE CURRENT PICTURE. If emergency supplies are not available or adequate for individual fluid milk markets, allocation of milk from manufactured products may be necessary in those markets. The milk outlook is such as to warrant immediate serious consideration of measures that could be taken to secure maximum production for the coming year, and, perhaps what is more important, to prevent reduction in dairy herd numbers which would adversely affect production 2 and 3 years ahead.

The squeeze that is becoming apparent in some of the milk markets may well be taken as an indication of a similar trend in certain other food lines. To understand this situation it is necessary only to recall the scope of military and Lend-Lease purchases and requirements, WPB reservation orders on certain items and the limitations on the pack of other foods because of the tin conservation order. The present outlook is that military and Lend-Lease needs will require from 60 to 85 percent of all canned fish; over 1/3 of canned fruits and vegetables; about the same amount of dried fruits; 1/4 of all meats, 30 percent of dried edible beans and 40 percent of dried peas. Egg requirements which have been running about one out of every seven produced in this country are now up to about one out of every five.

FIELD PURCHASE OPERATIONS: Apple purchase program well underway. Total purchases through September 23 amounted to 516,777 bushels at \$1.25 per bushel and 18,624 at \$1.30 for storage. During past week, purchases were made as follows: Connecticut, 3862 bushels; Delaware, 17640 bushels; Maine, 1818 bushels; Maryland, 22572 bushels; Massachusetts, 5255 bushels; Michigan, 32956 bushels; New Hampshire, 1408 bushels; New Jersey, 30,315 bushels; New York, 6825; North Carolina, 528 bushels; Ohio, 13788 bushels; Kentucky, 1008 bushels; Pennsylvania, 46176 bushels; Virginia, 91716 bushels at \$1.25 per bushel and 12924 bushels at \$1.30, and West Virginia, 56844 bushels. Truck crop purchases during the past week were as follows: Beets, Pennsylvania, 8201 bushels, bunched, at \$.55 per bushel and 527 bushels, tinned at \$.60 per bushel; Carrots, Pennsylvania, 10103 bushels at \$.55 per bushel; Corn, Pennsylvania, 1396 bushels at \$.50 per bushel; tomatoes, Pennsylvania, 2702 baskets, 12 quart, at \$.35 per basket; Cabbage, North Carolina, 23966 bag, 50 pound, at \$.43 per bag. No potatoes were purchased during past week. Purchased 6464 crates pineapple at \$1.75 per crate in Puerto Rico. CONTEMPLATED: Sweet potato purchase program in North Carolina.

POULTRY PROGRAM: WB members can do good job in connection with Secretary Wickard's call for 600,000,000 pounds of chicken meat - 200,000,000 chickens - during the off season this fall and winter by urging farmers who intend to participate in program to DO IT NOW. The additional chickens - needed to take place of short supplies of other meat - is wanted for marketing during February and March, before spring flocks are started. To have the chickens at marketable size by then they should be started this month. When hatcherymen know how many chicks are wanted they will be able to start production of chicks. 200,000,000 chicks, representing about one-fifth of total annual hatchings, present tremendous short notice job. Urge farmers who intend to go ahead with poultry meat program to mail - phone or personally place their orders NOW.

PROTEIN FOODS: (See AM. WB Letter No. 33) Has now turned into intra-Departmental program. Research agencies of Department are working on development of foods that can be fortified with soya or peanut proteins. Already has been Intradepartmental meeting on coordination of activities in connection with program. AM. phases of program (development of distribution and promotion of use of protein fortified foods) is coming right along. Of interest in connection with development in this country is fact that British have indicated a need for a 300% increase in shipments of soybean flour during coming year. During past 15 months British have taken about 60,000,000 lbs. soybean flour under Lend-Lease. Have asked for 150,000,000 during next 12 months.

VICTORY FOOD SPECIAL CALENDAR: Here is the line-up on VF Specials for next two months: Cabbage - September 28 - October 10 in area including eastern seaboard north of Florida, and all states north of Tennessee and east of Mississippi and Missouri Rivers; Apples, nationally, October 22 - 31; and domestic tree nuts, nationally, November 9 - 21.